

**CORPORATE SOCIAL RESPONSIBILITY
AND
SUSTAINABILITY POLICY**



S J V N Limited

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1. INTRODUCTION

SJVN Ltd was incorporated on May 24, 1988 as a joint venture of the Government of India and the Government of Himachal Pradesh to plan, investigate, organize, execute, and operate and to maintain Hydro-electric power projects. Ever since the commissioning of the largest underground 1500 MW Nathpa Jhakri Hydro Electric Power Project, SJVN has been expanding its base from a single project to multi projects. Its vision is to be best in class Indian Power Company globally admired for developing affordable clean power and sustainable value to all stakeholders by embracing Corporate Social Responsibility, SJVN endeavours to make meaningful contribution towards improvement of social infrastructure and sustainable socio-economic development of communities.

The CSR and Sustainability Policy of SJVN has been evolved on the basis of CSR and sustainability guidelines issued from time to time by the Ministry of Corporate Affairs and the Ministry of Heavy Industries and Public Enterprises, GOI, and statutory enactments like the companies Act, 2013.

2. SJVN's Policy Statement on CSR and Sustainability.

SJVN is committed to the concerns of its stakeholders and strives to maintain good standards of corporate social responsibility (CSR) and sustainability in its business activities. To meet this commitment SJVN will respect the rule of

law, local communities and societies at large and it will make conscious efforts to enhance the quality of life and environmental sustainability through its CSR and sustainability programmes.

3. SJVN's Approach for CSR and Sustainability.

Power projects are located in far reaches of isolated regions which are scarce in infrastructural facilities and where the populace is socio- economically backward. SJVN being a responsible corporate citizen strives to bring about overall positive impact on societies living in such regions. Besides, its CSR and Sustainability activities will also cover a wide range of issues relevant to larger society and of activities that could have lasting impact. SJVN endeavours to leverage green technology, processes and standards to produce goods and services that contribute to social and environment sustainability CSR programmes in SJVN shall not be adjunct to R&R activities.

4. CSR Implementation Process.

4.1 CSR Committee:-

(i) There shall be a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. The CSR Committee shall,

- (a) Recommend to the Board CSR Policy of SJVN which shall indicate the activities to be undertaken; and any changes/ amendments in the CSR Policy from time to time on the basis of

evolving legislations/ Govt. Policies/ directives related to CSR and sustainable development.

- (b) Recommend the amount of expenditure to be incurred on the activities related to CSR and Sustainable development.
- (c) Monitor the Corporate social responsibility of SJVN from time to time.

(ii) The composition of the CSR Committee shall be disclosed in the Board's report under Sub-section (3) of Section 134 of Companies Act, 2013.

4.2 SJVN Foundation: There shall be SJVN Foundation in the nature of a Trust comprising of the following trustees to implement CSR activities and sustainability:

Director (Personnel)		-	Chairman
a)	Corporate Head (F&A)	-	Member
b)	Corporate Head (P&A)	-	Member
c)	Head (Corporate Planning)	-	Member
d)	HOP (Project 1)	-	Member
e)	HOP (Project 2)	-	Member
f)	Corporate Head (R&R/CSR)	-	Member Secretary

The tenure of member-trustee from each of the two projects will be for a period of two years. Every project will have its representative in the Board of Trustees on rotational basis to be nominated by the Trustees.

The Trust with the permission of Chairman can co-opt any special invitee from time to time.

The charter of the Foundation will cover the following:-

- a) SJVN's vision on societal issues.
- b) To support institutions for long term activities in general in the areas of education, health, sports, and welfare of disadvantaged and the underprivileged. Grants/endowments should support such activities.
- c) To allocate certain portion of budget to cover works that meet local demands in project areas and to support relief measures during natural disasters.
- d) To identify schemes in project areas in consultation with local communities and administration.
- e) To leverage technology for production of good and services which are resource efficient, consumer friendly and environmentally sustainable throughout their life cycles.
- f) To align the CSR and sustainability programmes with the activities as may be specified from time to time by statutory authority/Govt. Notifications.
- g) To have overall supervision and control of CSR and Sustainability programmes.

4.3. Involvement of specialized agencies and community based

organizations: In order to make a linkage between corporate, social and environmental processes, the services of agencies which can

effectively deliver should be engaged to identify and implement CSR and sustainability activities. Such agencies could be Community based organizations (CBOs) whether formal or informal, Voluntary Agencies (NGOs), Institutes/ Academic Organizations, Professional consultancy Organizations, etc.

5. CSR and sustainability programmes

The focus of CSR and sustainability programmes will be broadly in the areas of education, health care, sustainable livelihood, community development, infrastructure development, sustainability and espousing social causes.

5.1 Education: SJVN will promote education by supporting educational institutions through endowments like SJVN scholarships or chairs or centres or corpus contributions to the institutions. The other activities could be vocational training to the youth, partnership with industrial training institutes, girl child education, adult education employment enhancing vocational skills, etc.

5.2 Health care and Welfare: SJVN will support health institutions/ centres reducing child mortality and improving maternal health; combating human immune-deficiency virus, acquired immune deficiency syndrome, malaria and other diseases; facilitating health care to people living in the villages and elsewhere through grants/endowments for related programmes.

- 5.3 Empowerment of Women:** SJVN will support agencies/ schemes promoting gender equality and empowering women.
- 5.4 Infrastructural Development and Community development:** SJVN will support creation of community assets/ institution in the project areas.
- 5.5 Eradication of hunger and poverty:** SJVN will support institutions/ agencies striving for elimination of hunger and poverty.
- 5.6 Assistance during natural disasters:** SJVN will make contributions to appropriate forums/ organizations/ agencies in case of natural calamities.
- 5.7 Contributions to State Relief funds:** SJVN will contribute the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled tribes other backward classes, minorities and women;
- 5.8 Social business projects:** SJVN will support social business projects.
- 5.9 Environmental Sustainability:** SJVN will support institutes/ agencies promoting environmental sustainability and will strive to support towards clean and sustainable environment, usage of renewable energy, reducing greenhouse gas emissions, efforts towards reduction/reusing/recycling and measures for biodiversity conservation.
- 5.10** For undertaking CSR and sustainability activities, preference shall be given to the local areas where SJVN operates its business activities.
- 5.11** Such other matters as may be prescribed from time to time by statutory authorities/Govt. notifications.

6. Budget Allocation.

6.1 The annual CSR and sustainability: Budget provision for a financial year will be 2% of the average net profits made during the three immediately preceding financial years or any limit prescribed by the law.

6.2 The average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 revised from time to time.

6.3 If the CSR fund allocated in a financial year is not spent fully, the Trust shall inform the CSR Committee the reasons for unutilized funds; subsequently the BOD shall include the reasons in its report made under the clause (0) of sub section 134 of the Companies Act, 2013.

7. Monitoring and Evaluation.

7.1 Monitoring: The Trust shall submit progress report of CSR activities to CSR Committee/ Committee of Directors (COD) on CSR at least twice a year. SJVN shall prepare a separate chapter on CSR and sustainability activities for its Annual Report. The facts and figures relating to physical and financial progress will be highlighted in the report. SJVN will provide timely progress report to Ministry of Power, other concerned ministries and National CSR Hub for appraisal.

7.2 Evaluation: The impact evaluation study of the CSR and sustainability activities will be carried out by an independent external agency after every five years. The evaluation report will reveal effectiveness of CSR

and sustainability programmes of SJVN. The findings from such studies will help framing appropriate corrective measures.

8. Documentation & Disclosure.

Documentation relating to CSR and sustainability policies, approaches, programmes, will be prepared and put in the public domain/ Company's Website and in Company's annual report and made available to the National CSR Hub.
